

CIA HISTORICAL REVIEW PROGRAM  
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CLASSIFICATION

DISPATCH NO. [ ]-554

TO : LINCOLN

DATE: 12 April 1954

FROM : [ ]

INFO: CHIEF, WHD

SUBJECT: General - Operational Intelligence,  
Specific - JUGATION I/Guatemalan Military Attache to [ ]  
Conversations.

REF: [ ]1008.

1. Attached hereto is a translation of a written report submitted by JUGATION I and recounting his conversation with the Guatemalan Military Attache to [ ] This conversation is the result of several attempts by JUGATION I to contact the Military Attache at the latter's invitation.

2. JUGATION I has asked [ ] to provide him with a subterfuge to revisit the Military Attache. This would appear an excellent opportunity to plant any information LINCOLN might wish reported to the Guatemalan Government. If LINCOLN has instigated rumors in Guatemala they could now be substantiated by giving them to JUGATION I who would then convey them to the Military Attache. Such information could also create a basis whereby JUGATION I might establish rapport with the Military Attache and give him reason to expect data in return on a quid pro quo basis.

3. LINCOLN has been apprised of this situation and data requested by [ ]1008.

INCLOSURE:

JUGATION I REPORT\*\*4 pages.

PHILLIP L. PURWELL

12 April 1954  
PLP/hdw

DISTRIBUTION:

- 2-LINCOLN w/encl in duplicate.
- 1-Washington w/encl in single copy.
- 2-File w/encl in single copy.

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JUGATION I REPORT

3 April 1954

*Guat M. 2. 1. 1.*

At 10:30 I arrived at the Guatemalan Embassy and asked to speak to Colonel Marco Antonio VARGAS. An employee of the Embassy informed me he had gone to his home but would soon return. He returned 15 minutes later.

Upon seeing me he invited me to his office on the second floor where we began our discussion by recalling his childhood in [ ] where he was born and where I was the [ ] He said he was 38 years old, and as such did not remember me; however, friends of my age had spoken to him of me--for example, [ ] who was a teacher at that time. [ ]

We spoke of Mexico, a country he knows well, and recalled his trips there. At this part of the conversation I attempted to gain his confidence by saying, "On the train to Mexico I heard of a revolution being planned against Guatemala." To this he replied, "We have knowledge that exiled Guatemalans residing in Honduras are planning a revolutionary movement against Guatemala. This invasion, which will come through Ocotepeque, will be a fiasco, as the leaders of this planned revolt know. However, they are not running any risk as they will not actually lead the attack. If this group wins it will be because of the poor people who, being paid by "United Fruit Company", will risk their lives and imprisonment for this Company."

"The battle between the Guatemalan Government and United Fruit is well known. The Agrarian Law and its application, in which the Government has expropriated idle or useless land from the Fruit Company, is justified as the Government has paid the value listed for taxes. Naturally it is understood the land has a higher value, but if you have a house which you declare at \$20 and if the Government needs it for a school and expropriates it and pays only \$20, then they have returned 100% value."

*Jorge Manuel*

"That the Government and people of Guatemala are classified as Communists is not true, although there are declared Communists such as Victor Manuel GUTIERREZ, FORTUNE and many more who sincerely think they are making a better world, and are indoctrinated with these ideological intentions because they believe the land is abandoned and not available to the enslaved and exploited masses. The land is not distributed as it is here; liberty is a myth; and the present Government, when taking office, declared itself to assist the impoverished masses. These masses think all is the work of Communism and of Russia."

*Jacobo*

"The Government of Colonel ARBENZ is not Communist; it is Socialist. But it needs the help of the leftist factions, and it is logical that with strong opposition such as United Fruit, which has spent millions of dollars in arriving at its lucrative business position, it must rely on the assistance of the proletariat. But the Government is not under the control of GUTIERREZ

and his comrades, for it has the backing of the Army which traditionally is not Communistic. Although GUTIERREZ and his associates desire to take control of the country, they cannot. The Army believes, after ARBENZ, the new President should be a soldier as are the majority of the countries of America."

"Confidentially in a certain manner the activities of those Communist leaders who are sincere and not hypocrites, as they are in other countries, are controlled—as upon the occasion when GUTIERREZ was denounced for introducing arms and having scandals in his following. However, the arms were examined and found to be hoes and other agricultural tools which were to be used by the peasants."

"It is to be lamented that in the Guatemalan capital, where laws for the benefit of the peasants have been created, subversive plans are being made to overthrow other governments and peoples by use of paid emigres in foreign countries to weld revolts and invasions; carrying and spreading rumors; and creating suspicions."

"He further stated, "I am a soldier, not a politician, and this is my first diplomatic post but I am accustomed to seeing things impartially. I want to see Guatemala [ ] live with out fear, that their good works not be destroyed. I think GUTIERREZ and the other leaders are coming to the end of their time, and the situation in my country will enter into a period of calm to a degree that the good can be appreciated even though it appears the work was accomplished under the influence of the Communists."

"I do not know if you have received the report that General <sup>Carlos Miguel</sup> Idigoras FUENTES, who is opposed to my Government, has broken with Castillo ARMAS. He broke because of his conviction that Castillo ARMAS and his followers are guided only by selfish interests. He (ARMAS) is given money and they play the comedy to justify the use of that money, but in reality, as military men, I do not think they can be unaware of the fiasco. All of his movements that are known by the Army and any surprise to the capital are doomed to fail. Remember what happened in Ahuachapan when you removed the Guatemalans who had infiltrated there. What happened on that occasion was a great wrong—a wrong that will be strange if it is not repeated here also, as Castillo ARMAS is enlisting Salvadorans at \$10 colones a day to invade Guatemala, so that this will be the work of emigres and not of the Salvadoran Government."

"As has been said, Castillo ARMAS has broken with General Idigoras FUENTES, but the General is a skillful politician, a man of experience and of economic resources and of good intentions. He purports he was a victim of very bad political action but for him it is not the hour of his ditch (probably funeral)."

"The situation in my country is as follows: It is the fight of one state against another state. The fight for the public power against the plan of the Communist is in force. But don't think my Government is not

able to see with good eyes the distribution of propaganda and the work of Communist propagandists but this also has its drawbacks or conditions. It does not interest you too much to know more of what is passing in Guatemala, nor am I able to give details about people and affairs because of my position. You have been [ ] in your country and you understand it. Between us we are now reviving a friendship of my childhood, but I cannot forget that you are [ ] and I am Guatemalan. I say this, not because you are involved in a political scheme to hurt [ ] but because, as the Military Attache of my country, I must separate such activity from the prevailing political situation. If I want to confide in you something that will not be given publicity, it is prohibited for publication since it would only give weight to the attacks of the Patria Nueva against the Agrarian Land Reform Law. That same attacked law is also favored by many [ ] who have nothing. Now they have land in Guatemala."

[ ] publishes any small thing that happens in Guatemala and builds it into a giant if it can in any way help them discredit the current Guatemalan regime. A short time ago they made a scandal of a suspected incident involving Salvadorans living in Guatemala."

"In relation to what the [ ] published concerning the arrival of the [ ] saying it is certain that [ ] were disconcerted to arrive at the airport and not be met by anyone—to receive them, or to be a friend. Actually [ ] face displayed his astonishment, since notices had been published of the preparations for his arrival. I have been told the error resulted because of lack of correct information as to the precise time of his arrival. I went to receive him because I was informed in the PAA offices of the exact hour of his arrival."

"What did the enemies of Guatemala say? That a Communist received an Imperialist? It is a question of appreciation. We are not in opposition to the Government of the USA. We are opposed to their companies that exploit us. That is all. Fortunately [ ] of the Aviation Division is my friend and arrived to greet me and tell me of the arrival of [ ]—thus removing me from the mutual position of embarrassment in a convenient manner. From this basis [ ] published their account."

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Our visit terminated at 11:45. The Colonel is an intelligent person. He made observations about the dangers of our relationship. He stated it would cause suspicions if we are seen together and that our relationship would cause suspicion since it might be thought that I was in the service of the Guatemalan Embassy and this could cause difficulties.

He said, "When you want to see me come to my house, [ ]  
Pardon me now if I do not see you to the door for the reasons I have  
explained; however, count me always as your friend. [ ]

JUGATION I [ ]  
is very intelligent [ ]

] departed. He adds that the Colonel